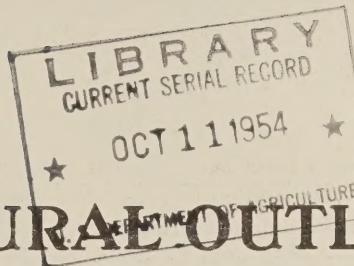


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The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D.C.



JULY 1954

With feed grains bulking large in the total, crop production this year is expected to be about the same as in last 2 years, 3% below 1948 peak.

A record-breaking feed concentrate supply will be available in the 1954-55 feeding year, according to reports received from farmers on the acreage and condition of their crops July 1.

One hundred ninety million tons of concentrates are in prospect, 19 million more than in 1953-54 and 11 million more than the 1950-51 record. This includes a near-record output of 131 million tons of corn, oats, barley and sorghum grain and an estimated feed grain carryover of around 32 million tons. Byproduct feeds make up most of the remaining 27 million tons, a little more than in the last 2 years because of higher soybean and flaxseed output.

The 4.2 billion bushel corn supply includes a prospective crop of 3.3 billion bushels, second largest in history, and a 900-950 million bushel carryover next October 1. The domestic oats supply is estimated at a record 1,780 million bushels. The prospective barley supply is half again larger than last year's. Sorghum grain production will not be estimated until August but farmers have planted about two-fifths more acres to sorghums for all purposes than in 1953.

The feed grain supply in prospect would be more than adequate to meet domestic and export requirements, even though the number of grain consuming animals is likely to increase some next year. This indicates the carryover on October 1, 1955 will top this year's expected record level.

Among other crops, wheat production is down 15% from 1953 and the cotton acreage is reduced. Marketing quotas are in effect for both crops. The rice crop is a record, the hay crop third largest, rye, dry beans and peas above average, tobacco average, potatoes 8% below last year and under average. The deciduous fruit crop is about equal to 1953 but below average.

Production of livestock products is expected to be up around 4% from the 1953 peak, boosting total farm output for 1954 to a new high.

Milk and egg production will set records. Broiler output has been at peak levels so far this year. A big turkey crop, possibly a record, is anticipated. Meat output will exceed last year's high level.

These production estimates are, of course, based on the situation at midyear. Unusually good or bad weather would change things considerably.

Consumer demand is continuing to be maintained by near-record income and exports of farm products have been about the same as a year earlier.

EGGS AND POULTRY: Egg prices will stay well below a year earlier through the rest of 1954. Production, though declining seasonally the next few months, will be at peak levels because of the large early hatch of flock replacement chicks.

Broiler marketings will be at a near-record rate for several weeks, according to figures on placements of chicks in specialized areas. Prices strengthened in June but remained below a year earlier.

FATS AND OILS: Peak production of food fats is expected in the coming 1954-55 marketing year. Farmers planted a record acreage to soybeans this year, pointing to a large supply of soybean oil. The expected 12% increase in hog production over last year will mean more lard. On the other hand, cottonseed oil output probably will be down because of the 21% reduction in the acreage of cotton in cultivation July 1.

Use of food fats in 1953-54 is expected to be up a tenth from a year earlier--about the same as the increase in output. Exports of cottonseed oil and soybeans account for most of the increase in disappearance, though domestic use also is up.

WHEAT: The crop, now estimated at 988 million bushels, is about 100 million bushels above the quantity used in the U. S. and exported in 1953-54. This indicates a further increase in stocks during 1954-55.

VEGETABLES: Prices to farmers for potatoes are expected to be above a year earlier during the rest of 1954 because of the reduction in output. On July 1 the 1954 crop in the late States was forecast at 5% smaller than in 1953; the intermediate crop 14% smaller.

Supplies of processed vegetables for 1954-55 are not likely to differ much from the current year. Farmers' reports for major crops indicate that output will be below last year; but carryover stocks are larger.

TOBACCO: Larger exports and a continued firm domestic demand are in prospect for flue-cured in 1954-55. This year's crop, according to the July 1 report, is down about 2% from 1953 but the carryover is up about the same percentage. This gives a total supply slightly larger than in 1953-54.

DAIRY PRODUCTS: Although milk production made the sharpest drop on record from May to June, the June total of 12.7 billion pounds was second largest in history for that month. The feed supply is large and milk flow will continue relatively high the rest of this year. The 1954 total is expected to be around 125 billion pounds; output the first half was 66.1 billion.

LIVESTOCK: Hog prices, though fluctuating, have been trending down the last few weeks. The seasonal decline started unusually early this summer because of heavy early farrowings of the spring crop. In December-March, farrowings were 21% greater than a year earlier but were up only 1% in April-May.

The total seasonal decline this year is likely to exceed average. But hog-corn ratio probably will stay above the long-time level.

General stability for prices of fed cattle, seasonal declines for cattle and calves off grass is in prospect in months ahead.

FRUIT: Demand for deciduous fruit for fresh use and for processing is holding up well. Supplies the next 2 months may be about the same as a year earlier, and prices probably will average about as in the summer of 1953.

A record 65 million gallons of frozen orange concentrate was packed in 1953-54, two-fifths more than the year before.

COTTON: Farmers had nearly 20 million acres of cotton in cultivation on July 1, 7% less than the acreage allotment for 1954. Yields per acre equal to the highest of the last 5 years would give a crop of 12.9 million running bales; the lowest yield of that period a crop of 10.6 million. First official estimate of the new crop will be issued August 9.